



Illinois Workers' Compensation Commission

100 W. Randolph St., Suite 8-200
Chicago, IL 60601
312-814-6500

Bruce Rauner, Governor

Joann M. Fratianni, Chairman

D-937

TO: Commissioners, Arbitrators and
All Other Interested Parties

FROM: Chairman Joann M. Fratianni

DATE: January 25, 2016

RE: Arch Coal, Inc.

A handwritten signature in black ink, appearing to be "Joann M. Fratianni", with the date "1/25/16" written below it.

Please be advised that Arch Coal, a former self-insured company, filed for Chapter 11 protection on January 11, 2016. The case was filed with the U.S. Bankruptcy Court in the Eastern District of Missouri.

Arch Coal, In. and its subsidiaries were self-insured for the period of 6/30/1973 – 3/25/2002.

The Bankruptcy court has modified the automatic stay to allow workers' compensation claims to proceed and granted interim approval for the employer to continue honoring its pre-petition workers' compensation claims. (See attached Order)

Questions regarding the workers' compensation claims may be directed to:

Underwriters Safety & Claims
PO Box 23640
Louisville, KY 40223
502/244-1343

Questions regarding this notice may be directed to:

Ms. Maria Sarli-Dehlin
IWCC - Office of Self-Insurance Manager
312/814-6065 or maria.dehlin@Illinois.gov

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

ARCH COAL, INC., *et al.*,

Debtors.¹

Chapter 11
Case No. 16-40120-705

[Related to Docket No. 14]

ORDER AUTHORIZING (i) DEBTORS TO (a) PAY PREPETITION WAGES, SALARIES, EMPLOYEE BENEFITS AND OTHER COMPENSATION AND (b) MAINTAIN EMPLOYEE BENEFITS PROGRAMS AND PAY RELATED ADMINISTRATIVE OBLIGATIONS, (ii) CURRENT AND FORMER EMPLOYEES TO PROCEED WITH OUTSTANDING WORKERS' COMPENSATION CLAIMS AND (iii) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS

On January 11, 2016, Arch Coal, Inc. and its subsidiaries that are debtors and debtors in possession in these cases (collectively, the "Debtors") filed a motion (the "Motion")² for an order, pursuant to sections 105(a), 362(d), 363(b), 507(a)(4), 507(a)(5) and 541 of the Bankruptcy Code and Bankruptcy Rule 6003, seeking the authority to pay certain amounts owing related to wages, programs and other obligations to employees and former employees and to continue certain employee programs, and authorizing financial institutions to process related checks or electronic transfers. This Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334; and it having authority to hearing the matters raised in the Motion pursuant to 28 U.S.C. § 157; and it having venue pursuant to 28 U.S.C. §§ 1408 and 1409; and the Debtors having represented that they made proper and sufficient notice; and the

¹ The Debtors are listed on Schedule 1 attached to the Motion. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors' chapter 11 petitions.

² Each capitalized term used herein but not otherwise defined herein shall have the meaning ascribed to it in the Motion.

Court having reviewed the Motion; and the relief requested in the Motion being in the best interests of the Debtors, their estates and the creditors; and the Court having determined that the relief requested in the Motion is necessary to avoid immediate and irreparable harm; and the Court having determined that there exists the required basis for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation; the Court ORDERS that:

1. The relief requested in the Motion is hereby **GRANTED**.
2. The Debtors are authorized, but not required, to pay or cause to be paid, in their sole discretion, all amounts required under or related to the Prepetition Employee Obligations.
3. The Debtors are authorized, but not required, to continue to pay and honor, in their sole discretion, their obligations arising under or related to the Employee Programs, as those Employee Programs were in effect as of the Petition Date and as such Employee Programs may be modified, terminated, amended or supplemented from time to time in the ordinary course of the Debtors' businesses.
4. The Debtors are authorized, but not required, to, in their sole discretion,
(a) continue utilizing third parties for certain services as described in the Motion and to pay or cause to be paid such claims as and when such obligations are due and (b) pay prepetition amounts owing in the ordinary course of business to third parties in connection with administering and maintaining the Employee Programs.
5. (a) The automatic stay is modified solely to the extent necessary to allow current and former Employees to proceed with claims under the Workers' Compensation Programs in the appropriate judicial or administrative fora and to permit insurers under the Workers' Compensation Programs to continue to access collateral and security provided by the Debtors

pursuant to the Workers' Compensation Programs and (b) the notice requirements under Bankruptcy Rule 4001(d) with respect to (a) above are waived.

6. All applicable banks and other financial institutions are hereby authorized to receive, process, honor and pay any and all checks, drafts, wires, check transfer requests or automated clearing house transfers evidencing amounts paid by the Debtors under this Order whether presented prior to or after the Petition Date to the extent the Debtors have good funds standing to their credit with such bank or other financial institution. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

7. The Debtors are authorized, but not required, to issue new postpetition checks, or effect new fund transfers, for the Prepetition Employee Obligations to replace any prepetition checks or fund transfer requests that may be dishonored or rejected and to reimburse their Employees or the applicable payee, as the case may be, for any fees or costs incurred by them in connection with a dishonored or voided check or funds transfer.

8. Nothing in the Motion or this Order, nor any payments made pursuant to this Order, shall be deemed to be, or constitute, (a) an admission as to the validity or priority of any claim against the Debtors, (b) an assumption or postpetition reaffirmation of any agreement, plan, practice, program, policy, executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, (c) a grant of third-party beneficiary status or bestowal of any additional rights on any third party or (d) a waiver of any rights, claims or defenses of the Debtors.

9. Nothing in the Motion or this Order shall impair the ability of the Debtors to contest the validity or amount of any payment made pursuant to this Order.

10. Nothing in the Motion or this Order shall be construed as impairing the Debtors' right to contest the validity or amount of any Prepetition Employee Obligation, including payroll taxes that may be due to any taxing authority.

11. The requirements of Bankruptcy Rule 6003 are satisfied by the contents of the Motion.

12. Notwithstanding any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 6004(h)) or Local Bankruptcy Rule of the Bankruptcy Court for the Eastern District of Missouri that might otherwise delay the effectiveness of this Order, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

13. Notwithstanding anything to the contrary herein, (i) payments made by the Debtors pursuant to the authority granted in this Order must be in compliance with, and shall be subject to, the requirements imposed on the Debtors under the Debtors' postpetition financing agreement (the "**DIP Agreement**") and the terms and conditions of the interim or final orders, as applicable, approving the DIP Agreement and governing the Debtors' use of cash collateral (in either case, the "**DIP Order**"), and (ii) to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

14. The Debtors are authorized to take all such actions as are necessary to implement the terms of this Order.

15. The Debtors have represented to proper, timely, adequate and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Eastern District of Missouri.

16. No later than two business days after the date of this Order, the Debtors shall serve a copy of this Order on the Notice Parties and, no later than 24 hours after such service, the Debtors shall file a certificate of service with the Court.

DATED: January 13, 2016
St. Louis, Missouri 63102
mtc


CHARLES E. RENDLEN, III
U.S. Bankruptcy Judge